

K-V PHARMACEUTICAL COMPANY
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS

AS ADOPTED BY THE BOARD OF DIRECTORS
ON JUNE 9, 2004

This Charter documents the purpose, authority, composition and responsibilities of the Compensation Committee (the “Committee”) of the Board of Directors of K-V Pharmaceutical Company (the “Company”). This Charter shall be published in the Company’s Internet website and shall otherwise be filed or reported from time to time as may be required by applicable law or rules of the New York Stock Exchange.

Purpose and Authority

The Board of Directors of the Company has appointed the Committee to discharge the responsibilities of the Board of Directors relating to the compensation of the Company’s executives. In addition, the Committee will prepare an report of the compensation policies of the Committee that is required by the rules and regulations of the Securities and Exchange Commission to be included in the Company’s proxy statement for the annual meeting of shareholders.

In the event further information is deemed advisable, the Committee may rely for administrative support and background information regarding personnel and compensation matter’s on the Company’s human resources and organizational development staff. The Committee is empowered to retain, at the Company’s expense, any compensation, legal, accounting or other consultants or experts that it deems necessary in the performance of its duties.

Composition, Qualifications and Meetings

The Committee shall be comprised of two or more directors as determined from time to time by the Board of Directors. Each member of the Committee shall be an “independent director” as defined by the listing standards promulgated by the New York Stock Exchange, and, to the extent practicable, a “non-employee director” as defined under Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and an “outside director” as defined for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Committee members shall be appointed by the Board of Directors and shall serve until such member’s successor is appointed and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

At a minimum, the Committee shall meet at least one time annually, or more frequently as circumstances dictate. All members of the Committee shall be expected to attend each meeting, whether in person or by telephone or videoconference. For the transaction of business at any meeting of the Committee, a majority of the members shall constitute a quorum. If a Committee Chair is not designated or present at a Committee meeting, the members of the Committee may designate a Chair by a majority vote of the Committee membership. Minutes of each meeting shall be kept and the Secretary of the Company shall maintain all minutes of the Committee.

Responsibilities

The Committee shall have the following responsibilities:

- Confirm the Company's compensation philosophy and ensure that the compensation program is aligned with the Company's objectives, consistent with the interests of the Company's shareholders;
- Review the overall compensation, including incentive compensation, of executive officers of the Company and evaluate the competitiveness of total compensation levels for executives on at least an annual basis or at such times as shall be requested by the Board;
- Evaluate the performance of the Chief Executive Officer in light of the Company's goals and objectives;
- Determine the compensation of the Chief Executive Officer, including salary, bonus, incentive and equity compensation, based upon its evaluation of the Chief Executive Officer's performance and taking into account the Company's performance, relative shareholder return, the compensation received by chief executive officers at similarly situated companies and compensation and incentives awarded to the Chief Executive Officer in the past;
- Review and approve compensation and equity-based incentive plans and benefits and to report thereon to the full Board; and
- Make all decisions or determinations that may be required to be made by the Committee under the Company's compensation or benefit plans, or as the Committee determines to be appropriate for the operation of any such plan and the distribution, award or payment of benefits thereunder.

Annual Review

The Committee shall annually perform a review and evaluation of the performance of the Committee and its members and report its conclusions to the Board of Directors. In addition, the Committee shall assess the adequacy of the Charter and the Committee's own performance under

the Charter. The Committee will determine whether any changes to the Charter are advisable or any corrective actions should be undertaken to correct any deficiencies or weaknesses noted in the review and evaluation. The Committee shall present any amendments to the Charter or corrective actions that the Committee deems necessary or appropriate to the Board of Directors for its approval.